



2006-07 BUDGET-IN-BRIEF

The 2006-07
City of Lodi Budget

Adopted and approved by:

The Lodi City Council

Susan Hitchcock, Mayor
Bob Johnson, Mayor Pro Tempore
John Beckman, Council Member
Larry Hansen, Council Member
JoAnne Mounce, Council Member



CITY OF LODI FISCAL YEAR 2006-07 BUDGET IN BRIEF

This “Budget-in-Brief” is a concise overview of the City’s budget and describes the fund structure used in the budget with a summary of the 2006-07 Fiscal Year Budget by highlighting key budget features and basic budget facts. The entire City Budget can be found on the City’s website at www.lodi.gov.

Financial Structure Overview

The City’s accounting system is organized on a fund basis. Each fund is a distinct accounting entity used to record all financial transactions related to the specific purpose for which that fund was created. The City’s primary fund is the General Fund which accounts for all funds not required to be placed in another fund. Most general municipal services are provided via the General Fund including police, fire, public works, parks & recreation and general administration.

Special revenue funds are used to account for revenue received from external agencies. Use of these funds is restricted for a specific purpose. Examples include Transportation Development Act funds that can only be used for transit purposes or transportation projects and Community Development Block Grant funds. Capital project funds are used to account for the accumulation and expenditure of funds to be used to purchase and construct capital items such as equipment, facilities and infrastructure. Debt service funds are used to account for funds set aside to make payments on the City’s outstanding debt. Enterprise funds operate just like a business with the intent that the cost of providing the service is recouped by charges to external users. Enterprise funds include self-supporting services such as water, wastewater, electric utility and transit.

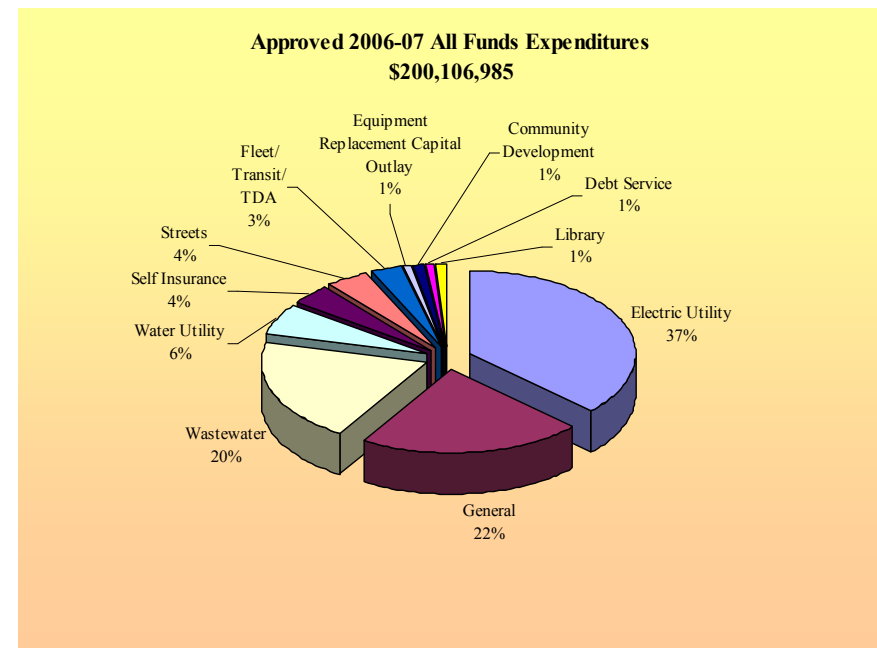
Budget Process

The budget process begins in January each year. The Budget Division provides revenue estimates for the upcoming year. These estimates provide an approximation of the resources that will be available to fund City services. Departments then prepare their budgets based on available resources and direction from the City Manager. The City Manager then presents a preliminary budget to the City Council for their review and

input. Council then adopts the budget at a City Council meeting in June. The City Council appointed a Budget/Finance Committee in 2005. The Committee reviews the budget and makes advisory recommendations to the City Council.

2006-07 Budget Summary

The budget is a financial plan that the City Council uses to establish the programs and services to be provided by the City and to allocate funds necessary to carry out those programs and services. The City’s total 2006-07 budget consists of a \$202,149,067 revenue projection and an expenditure allocation of \$200,106,985.





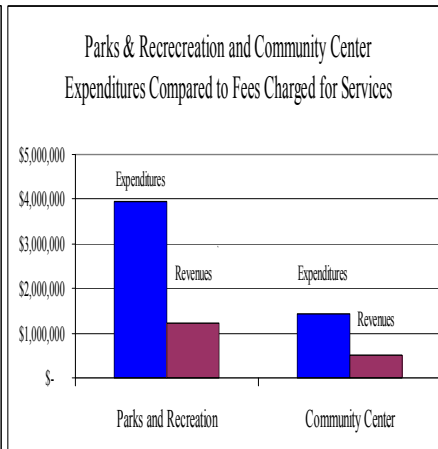
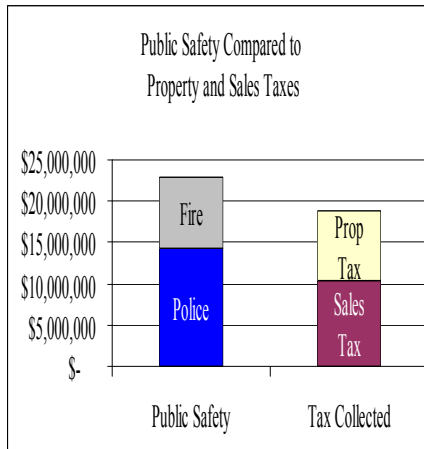
General Fund Budget

The General Fund Budget is one component of the total City Budget, comprising approximately 22% of all City expenditures. General Fund revenues pay for basic services such as police, fire, public works, park maintenance, Hutchins Street Square and recreational programs. Since water, wastewater, and electric utility services are self-supporting, they are excluded from this fund.

General Fund revenues for 2006-07 are projected at \$44,023,536. The two largest sources of income, sales tax and property tax, make up 43% of General Fund revenues. Other revenues include license fees, permit fees, fines and forfeitures. General Fund appropriations for 2006-07 reflect and increase of 1% over the 2005-06 budget appropriations. Public safety (police and fire) accounts for 52% of General Fund expenditures. The General Fund also provides support for other City services by transferring revenues to other funds. One example is the library, which is supported in part by property tax revenues collected in the General Fund.

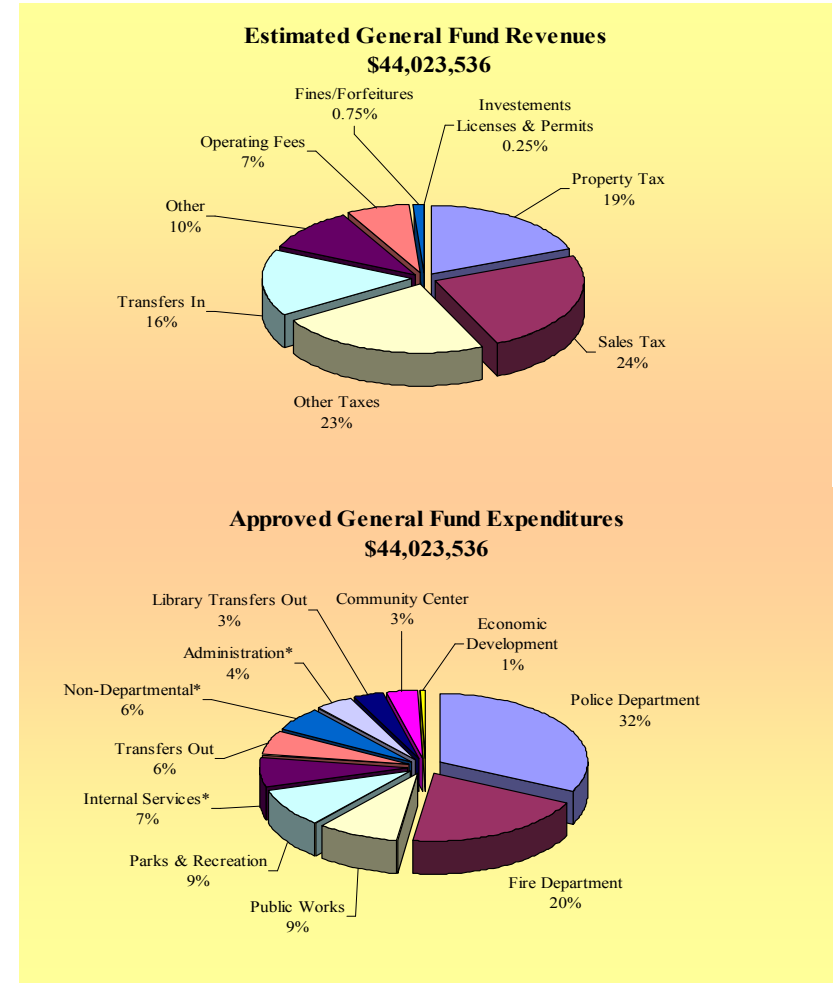
GENERAL FUND SERVICES

Police Department	32%	\$ 14,240,003	Non-Departmental *	6%	\$ 2,538,771
Fire Department	20%	\$ 8,701,513	Administration *	4%	\$ 1,784,524
Public Works	9%	\$ 3,995,581	Library Transfers Out	3%	\$ 1,489,225
Parks & Recreation	9%	\$ 3,963,715	Community Center	3%	\$ 1,433,542
Internal Services *	7%	\$ 3,076,760	Economic Development	1%	\$ 246,216
Transfers Out	6%	\$ 2,553,686	TOTAL	100%	\$ 44,023,536



General Fund 2006-07 Revenues and Expenditures

General fund revenues provide basic City services to the public at large. The first chart illustrates General Fund revenues by source and their relation to the fund in total. The second chart illustrates City services supported by General Fund revenues according to department or function.



*Non-Departmental includes expenditures for city-wide phone costs and city-wide utilities. Internal Services are expenditures for Finance, Human Resources and Information Systems. Administration includes expenditures for the City Clerk, City Attorney and City Manager.



Enterprise Funds

The City of Lodi has three utility funds. These include Electric Utility, Water, and Wastewater. Each utility is designed to be a self-sufficient fund separate from each other.

• **Electric Utility Fund**

The Electric Utility not only provides electricity to Lodi's residential and commercial customers, it strives to strengthen the community through a variety of programs. The Public Benefits program provides assistance to low-income households, energy conservation programs, and demonstration projects.

2006-07	Estimated Revenues	Approved Expenditures
Electric Utility Fund	\$70,563,297	\$70,553,889

• **Water and Wastewater Funds**

The Water and Wastewater Funds finance the Water Services Division. This Division is responsible for providing a reliable supply of safe drinking water for all citizens, providing water at adequate pressure for fire hydrants, and for treating wastewater in order to meet all Federal and State standards. Public Works also oversees PCE/TCE remediation activities.

2006-07	Estimated Revenues	Approved Expenditures
Water Fund	\$10,341,000	\$13,034,844
Wastewater Fund	\$39,252,900	\$40,657,024

The utility enterprise funds are intended to be self-sufficient and operate independently of General Fund or other fund support, much like a business. Revenues that come in the form of customer rate fees for electric, water, and wastewater services are designed to meet not only daily needs but also to maintain and develop infrastructure for future use. Some capital projects included in the 2006-07 budget are: upgrading existing ground wire in the streetlight system, water/wastewater main line replacements, and development of two well sites.



Other Funds

The City provides other services not funded by the General Fund or the enterprise funds. Some of these include Streets, Library, Community Development, Transit and the Capital Outlay Fund.

• **Streets Fund**

The Streets Fund handles all street and pavement maintenance activities including street cleaning and sweeping, traffic control devices, street trees, sidewalk and landscape maintenance, storm water and graffiti abatement.

• **Library Fund**

The Library Fund provides programs and services offered by the Lodi Library including maintaining/updating book inventory, literacy programs, children reading programs, and facility maintenance.

• **Community Development Fund**

This newly established fund provides community services including planning, code enforcement, issuance of construction permits and administration of the Community Development Block Grant program.

• **Transit**

The Transit Fund serves to provide the Lodi community with a daily fixed route bus system and Dial-A-Ride as well as administration of transportation grants and oversight of the Lodi Station Parking Structure.

• **Capital Outlay Fund**

The Capital Outlay Fund maintains and extends the useful life of city assets such as buildings, parks and equipment as well as developing new fire stations, police stations, community facilities, and parks as Lodi grows.

2006-07	Estimated Revenues	Approved Expenditures
Streets Fund	\$10,786,988	\$8,295,118
Library Fund	\$1,622,670	\$1,711,336
Community Dev. Fund	\$2,175,651	\$2,127,951
Transit Fund	\$5,162,005	\$4,721,928
Capital Outlay Fund	\$1,845,000	\$1,557,836